

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, ACTING AS THE LEGISLATIVE BODY OF THE CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1, AUTHORIZING THE ISSUANCE OF ITS (IMPROVEMENT AREA NO. 8F) 2020 SPECIAL TAX BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the “City Council,” and sometimes referred to as the “legislative body of the District”) of the City of Beaumont, California (the “City”), located in Riverside County, California, has heretofore undertaken proceedings and declared the necessity to issue bonds by the City of Beaumont Community Facilities District No. 93-1 (the “District”) pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, pursuant to resolutions adopted by the City Council on June 29, 1993 and May 9, 2015, and the Act, the City formed the District and designated and annexed Improvement Area No. 8F thereto (“Improvement Area No. 8F”); and

WHEREAS, pursuant to a resolution adopted by the City Council on May 9, 2015, a bond proposition was submitted to the qualified electors within Improvement Area No. 8F and was approved by more than two-thirds of the votes cast at the elections held within Improvement Area No. 8F of the District on such date; and

WHEREAS, based upon the aforesaid resolutions and election, the District is authorized pursuant to the Act to issue bonds on behalf of Improvement Area No. 8F in an aggregate principal amount not to exceed \$25,000,000; and

WHEREAS, in order to effect the issuance of bonds in an aggregate principal amount not to exceed \$15,000,000 to be designated as the “City of Beaumont Community Facilities District No. 93-1 (Improvement Area No. 8F) 2020 Special Tax Bonds” (the “Bonds”), the legislative body of the District desires to approve the forms, and authorize the execution and delivery, of a Bond Indenture, a Continuing Disclosure Agreement and a Bond Purchase Agreement for the Bonds; and

WHEREAS, in accordance with Government Code Section 53360.4, the legislative body of the District determines that a negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (the “Bond Purchase Agreement”) will result in a lower overall cost to the District than a competitive sale; and

WHEREAS, the legislative body of the District determines that it is prudent in the management of its fiscal affairs to issue the Bonds; and

WHEREAS, pursuant to Section 53345.8 of the Act and the District's Local Goals and Policies, unless the Bonds are escrowed or otherwise credit enhanced, the District may sell the Bonds if the legislative body of the District determines prior to the award of the sale of the Bonds that the value of the real property that would be subject to the special tax to pay debt service on the Bonds will be at least three (3) times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on taxable property within Improvement Area No. 8F; and

WHEREAS, the legislative body of the District desires to authorize the preparation of an appraisal of the taxable real property within Improvement Area No. 8F (the "Appraisal") which shall be prepared for the District by Integra Realty Resources, a state-certified real estate appraiser, as defined in Section 11340 of the California Business and Professions Code, in order for the legislative body of the District to make the above determination; and

WHEREAS, the legislative body of the District further wishes to approve the form of the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement"), presented at this meeting; and

WHEREAS, the legislative body of the District further desires to approve the form of an Acquisition Agreement relating to Improvement Area No. 8F, by and among the City, the District and Pardee Homes (the "Acquisition Agreement"); and

WHEREAS, in accordance with Government Code Section 5852.1, there has been presented to this City Council and disclosed to the public certain good faith estimates provided to the District by its municipal advisor (the "Municipal Advisor") with respect to the Bonds, and the requirements of Section 5852.1 have been satisfied.

NOW, THEREFORE, the City Council of the City of Beaumont acting as the legislative body of City of Beaumont Community Facilities District No. 93-1 does hereby resolve as follows:

SECTION 1. Each of the above recitals is true and correct, as is each of the findings and determinations set forth therein, and each of said recitals, findings and determinations is adopted by the legislative body of the District.

SECTION 2. The issuance of the Bonds in an aggregate principal amount not to exceed \$15,000,000 is hereby authorized; and the exact principal amount to be issued shall be determined by the officer signing the Bond Purchase Agreement in accordance with Section 5 below. The Bonds shall mature on the dates and bear interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. The Bonds shall be governed by the terms and conditions of the Bond Indenture between the District and Wilmington Trust, National Association, as trustee, presented at this meeting (the "Bond Indenture"). The Bond Indenture shall be executed by one or more of the Mayor, City Manager, the Assistant City Manager, or the Finance Director of the City or the written designee of one of the foregoing (collectively, the "Authorized Officers") and attested to by the City Clerk, substantially in the form presented at this meeting, with such additions thereto and

changes therein as the officer or officers executing the same deem necessary (a) to cure any ambiguity or defect therein, if such addition or change does not materially alter the substance or content thereof, (b) to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof, or (c) to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the purchasers of the Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Bond Indenture by one or more Authorized Officers. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Bond Indenture.

SECTION 3. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the City Clerk, and by the trustee to be selected by the City (the "Trustee") to act as Trustee for the Bonds.

SECTION 4. The covenants set forth in the Bond Indenture above are hereby approved and shall be deemed to be covenants of the City Council, in its capacity as the legislative body of the District, and shall be complied with by the District and its officers.

SECTION 5. The form of the Bond Purchase Agreement presented at this meeting and the sale of the Bonds pursuant thereto are hereby approved, provided that the true interest cost on the Bonds does not exceed 5.00% and the discount at which the Underwriter purchases the Bonds (exclusive of original issue discount) does not exceed 1.20% of the principal amount thereof. Any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein as the officer executing it may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. Each of the Mayor, or his designee, the City Manager, or his designee, the Assistant City Manager, or her designee, and the Finance Director, or his designee, is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

SECTION 6. The form of the Continuing Disclosure Agreement presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of such Continuing Disclosure Agreement.

SECTION 7. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the value of the real property in Improvement Area No. 8F subject to the special tax to pay debt service on the Bonds is not less than three (3) times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within Improvement Area No. 8F. This determination is based on the appraised value of the property in Improvement Area No. 8F subject to the special tax as set

forth in the Appraisal, which Appraisal shall be made in a manner consistent with the District's policies adjusted pursuant to Section 53312.7 of the Act.

SECTION 8. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof is hereby approved, with such changes, insertions and omissions therein as may be approved by any of the Authorized Officers, acting alone, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

SECTION 9. The preparation and delivery of the Official Statement, and its use in connection with the offering and sale of the Bonds is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute the final Official Statement and any amendment or supplement thereto.

SECTION 10. The form of the Acquisition Agreement presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized and directed to execute the Acquisition Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of such Acquisition Agreement.

SECTION 11. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, effecting the completion of the Appraisal, and obtaining legal services, municipal advisor services, special tax consultant services, trustee services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other costs of issuance for the Bonds from the proceeds of the Bonds.

SECTION 12. The City Council hereby finds and declares that the issuance of the Bonds complies with the Debt Issuance and Management Policy adopted by the City with respect to debt financing.

SECTION 13. In accordance with Government Code section 5852.1, good faith estimates of the following have been obtained from the Municipal Advisor and presented in the staff report for the meeting at which this resolution is adopted: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, including an estimate of the costs of issuance, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded

with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds. On the basis of this information, the City Council finds and determines that the provisions of Government Code section 5852.1 have been satisfied with respect to the authorization of the Bonds.

SECTION 14. Each of the Authorized Officers and the other officers and staff of the City of Beaumont and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Bond Indenture. Any document authorized herein to be signed by the City Clerk may be signed by a duly-appointed deputy city clerk or assistant city clerk.

PASSED AND ADOPTED by the City Council of the City of Beaumont, California, this 19th day of May, 2020, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF BEAUMONT

ATTEST:

CITY CLERK